## IN THE CLAIMS:

Please AMEND claims 1-6 and ADD claims 16 and 17, as follows:

(Currently Amended) A sheet stacking apparatus comprising:

 a first tray on which sheets discharged from an outlet are stacked, said first tray

being movable between a stacking position at which the sheets discharged from the outlet are stacked and a first retracted position above the stacking position:

a second tray on which the sheets discharged from the outlet are stacked, said second tray being disposed below said first tray, said second tray and being movable independently of said first tray, said second tray being movable between the (1) a stacking position at which the sheets discharged from the outlet are stacked when said first tray is at a first retracted position and (2) and a second retracted position below the stacking position; and

a controller that <u>controls movement of said first tray and causes</u> said second tray <u>independently of each other, wherein when to descend when</u> the sheets are to be stacked on said first tray, said controller <u>stops descending movement of said second tray when a moving distance of said second tray reaches a predetermined distance which is set so that the top surface of the <u>sheets stacked on said second tray does not interfere with said first tray which is at the stacking position</u>, <u>said second tray to stop descending when said second tray reaches a standby position</u> where a distance between the outlet and a top surface of the sheets stacked on said second tray is a predetermined distance.</u>

 (Currently Amended) The sheet stacking apparatus according to Claim 1, further comprising a sensor that detects the sheets on said second tray, when said second tray is at the standby position;

wherein the predetermined distance is set to a distance of said controller causes said second tray to initiate descending movement up to and then to stop the descending movement up to just before an output of said sensor changes from "sheet present" to "sheet absent".

- 3. (Currently Amended) The sheet stacking apparatus according to Claim 2, wherein after the moving distance of said second tray reaches the predetermined distance, said controller initiates an ascending movement of said second tray when said second tray is at the standby position, said controller causes said second tray to ascend in response to a change of the output of said sensor from "sheet present" to "sheet absent," and to stop stops the ascending movement in response to a change of the output of said sensor from "sheet absent" to "sheet present".
- 4. (Currently Amended) The sheet stacking apparatus according to Claim 2, wherein when the moving distance of said second tray reaches the predetermined distance is descending toward the standby position, said controller causes stops said second tray to stop regardless of the output of said sensor.

- 5. (Currently Amended) The sheet stacking apparatus according to Claim 2, wherein before the moving distance of said second tray reaches the predetermined distance, said controller initiates the ascending movement of said second tray when said second tray is descending toward the standby position, said controller causes said second tray to ascend in response to a change of the output of said sensor from "sheet present" to "sheet absent," and to stop ascending in response to a change of the output of said sensor from "sheet absent" to "sheet present".
- 6. (Currently Amended) The sheet stacking apparatus according to Claim 1, further comprising a second sensor that detects that said second tray has descended to reach a lower limit when the sheets are to be stacked said second tray is caused to descend to stack sheets onto said first tray,

wherein when said second tray <u>descends to the predetermined distance</u> is descending toward the standby position, said controller <u>controls</u> causes said second tray to stop descending in response to the detection <u>by the second sensor</u> that said second tray has reached the lower limit.

## 7-15. (Canceled)

16. (New) The sheet stacking apparatus according to Claim 1, wherein when the moving distance of said second tray reaches the predetermined distance, said second tray is above the second retracted position.  (New) The sheet stacking apparatus according to Claim 1, further comprising a sensor that detects the sheets on said second tray,

wherein the predetermined distance is set to a distance of movement up to after an output of said sensor changes from "sheet present" to "sheet absent".